

22. The PAR System is predominantly a heavy freight railroad for traffic originating or terminating in New England, moving over 50,000 carloads in 2019.¹¹ The PAR System serves shippers in a variety of industries, but given its location in northern New England, the largest commodity groups are: paper products (approx. 33% of PAR System carloads in 2019); sand, gravel, and similar bulk commodities (approx. 16%); and clay and concrete products (approx. 14%).¹²
23. As can be seen from the table for carload traffic below, the major interchanges for the PAR System are the two southern New England mainlines: PAS at Ayer and CSXT at Barbers Station. Next, although much less significant, are the two connections that ultimately reach the Canadian Class I railroads, CN via the SLR at Danville Junction and CP through the CMQ at Northern Maine Junction.¹³ Most of the remaining interchange traffic serves local Maine and New Hampshire shortlines.¹⁴

¹¹ Operating Plan at 8. The PAR System also carried over 5,000 intermodal units in 2019.

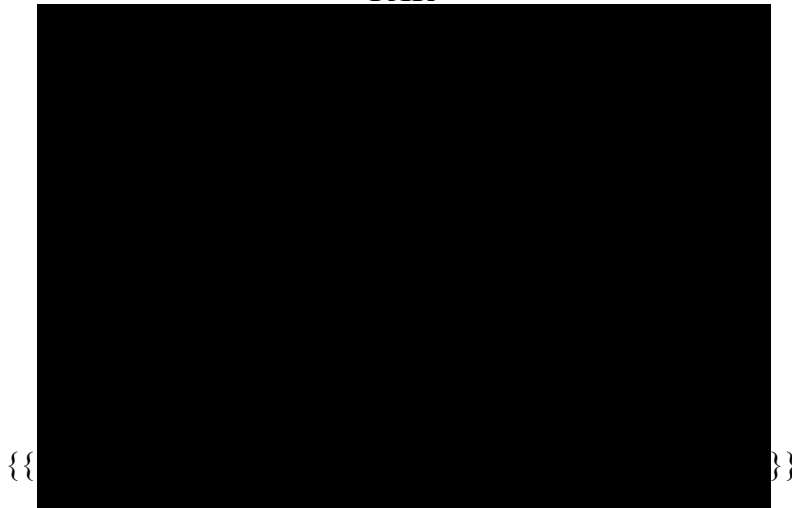
¹² Calculations based on PAR System waybill data at the 2-digit STCC level: STCC 26 – Pulp and Paper Products; STCC 14 – Nonmetallic Minerals; and STCC 32 – Stone, Clay and Glass products.

¹³ CP's acquisition of CMQ was approved in 2020, so I have not distinguished the 2019 interchange traffic at Northern Maine Jct. between CMQ and CP.

¹⁴ Due to the haulage agreement, most traffic originating or terminating on the NBM does not show up as interchange traffic.

Figure 1

**2019 Interchange Traffic¹
PAR**



Source: Pan Am waybill data.

Notes: 1. Data does not include intermodal or haulage traffic.

2. Waybill records report {{[REDACTED]}}.

3. Waybill records include {{[REDACTED]}}.

4. St. Lawrence & Atlantic Railroad

5. Traffic identified as terminating or originating at Dover is treated as interchange traffic.

6. New Hampshire Northcoast

2. PAS

24. PAS was created in 2009, with STB approval, as a company jointly owned by Boston & Maine (one of the PAR Railroads) and NSR, each with a 50 percent share. Boston & Maine contributed its line between Mechanicville and Ayer – the “Patriot Corridor” – along with some branch lines and rights over other lines. With additional funds from NSR, and financial support from a variety of governmental entities, this mainline was upgraded to a performance more consistent with a modern U.S. freight mainline rail line.¹⁵ Springfield Terminal has served as the contract operator of PAS since the formation of PAS. NSR has reserve trackage rights on the PAS line between Mechanicville, New York and Ayer and rights to interchange certain traffic with other connecting regional lines.

¹⁵ Height restrictions still prevent the running of double-stack intermodal trains. See Massachusetts Department of Transportation, “Massachusetts State Rail Plan,” May 2018, at 40.

25. The Patriot Corridor interchanges at its western end with NSR, CSXT, and CP in New York and runs to Ayer and then, east of Ayer, connects with the PAR System at Harvard, Massachusetts and at a point known as CPF 312. As an east-west route across southern New England, this line interconnects with various north-south New England railroads, in addition to the PAR System, that serve a small portion of New York, Vermont (with connections to Canada), Massachusetts, Connecticut, and Rhode Island. These connecting railroads include Vermont Railway (“VTR”) ¹⁶ and the GWI-owned NECR, CSO, and Providence and Worcester Railroad (“P&W”). CN and CP traffic can connect to PAS via the connections with the Vermont railroads.
26. PAS has certain access rights over north-south lines between White River Junction, Vermont (over the NECR) and New Haven, Connecticut (over a Mass DOT-owned line and an Amtrak-owned line between Springfield, Massachusetts and New Haven, which is operated for freight by CSO). A noncontiguous line in southeastern Connecticut that serves Waterbury is also part of PAS. On the southern portion of the north-south line operated by CSO, PAS, as operated by Springfield Terminal, exercises trackage rights allowing it to connect with its noncontiguous Connecticut line as well as interconnect with CNZR at Hartford.
27. An important location on PAS on the Patriot Corridor is Ayer, Massachusetts, which is roughly 40 miles outside of Boston. In addition to local carload shippers, there is an intermodal terminal and an auto unloading facility in Ayer that serves the greater Boston area.¹⁷ This is a significant location for NSR traffic.
28. Springfield Terminal has been designated the operator of PAS. PAS, through its contract operator Springfield Terminal, provides haulage for NSR over the PAS system.¹⁸ { [REDACTED]

¹⁶ For purposes of this statement, I refer to the affiliated Vermont Rail System railroads as VTR.

¹⁷ CSXT and P&W each operate intermodal terminals in Worcester. CN serves the P&W terminal through haulage agreements. *See*, Massachusetts State Rail Plan at 41.

¹⁸ Master Norfolk Southern Joint Use Agreement, April 9, 2009.

[REDACTED]

[REDACTED] }} By contrast PAS moved more than 37,000 non-haulage freight carloads in 2019.²⁰

29. Setting aside traffic hauled on behalf of NSR, overhead traffic represents over a third of PAS traffic while 40 percent of PAS traffic is deliveries to PAS shippers.²¹ Thus, compared to the PAR System, which originates or terminates (or both) over 95% of its carloads, PAS has a more diverse traffic mix and more of that traffic represents goods moving to the New England consuming areas.²²

30. In addition to the NSR traffic hauled by PAS, the interchange points for PAS reflect its role as a mainline route connecting to the eastern U.S. rail network. The largest single interchange is at Ayer with the PAR System, primarily for movements to northern New England. Collectively larger, however, are the three interchanges with CP, CSXT, and NSR at the western end of the mainline.²³ There are also significant interchanges with regional and shortline carriers mostly along the Patriot Corridor line but also at Bellows Falls, Vermont. In 2019, there were no cars identified as being exchanged with CSXT at New Haven and only three cars at Springfield.²⁴

¹⁹ [REDACTED]

²⁰ Operating Plan at 9.

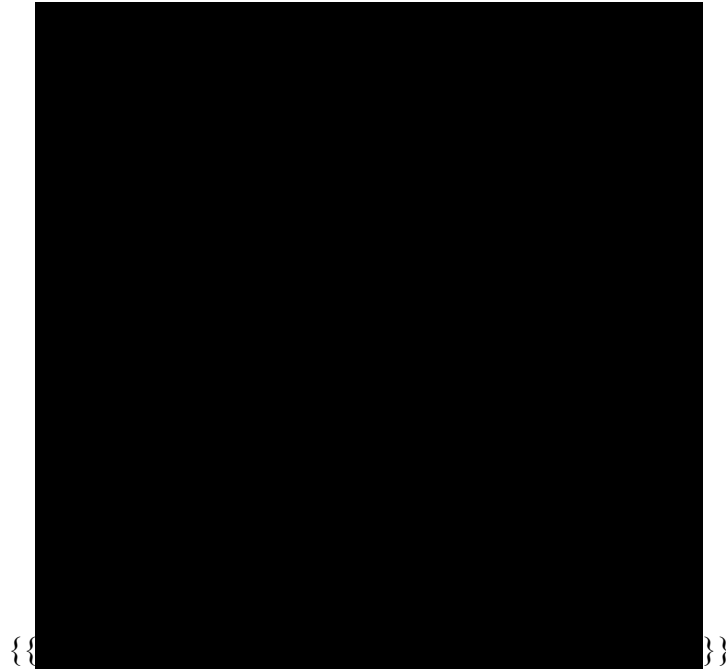
²¹ PAS waybill data.

²² PAS waybill data.

²³ This excludes the volume of traffic hauled on behalf of NSR.

²⁴ PAS waybill data.

Figure 2
2019 Interchange Traffic¹
PAS



Source: PAS waybill data.

Notes: Eagle Bridge is excluded from this table because there was no PAS traffic identified as being interchanged at Eagle Bridge in 2019, but PAS hauls traffic to Eagle Bridge for NSR. NSR also uses ST to haul traffic to interchanges with these connecting carriers.

1. Data does not include intermodal or haulage traffic.
2. Vermont Rail System
3. Naugatuck Railroad
4. New England Central Railroad
5. Central New England Railroad

D. OVERVIEW OF THE POST-TRANSACTION RAILROADS

31. As described in more detail in the operating plan, the acquisition by CSX of Systems will result in the PAR System being integrated into CSXT. This will result in a Class I, single-line operation between the eastern U.S. network served by CSXT and northern Maine (with additional haulage to New Brunswick). As CSXT integrates the PAR System into the CSXT system, it will bring to bear the tools and resources of a Class I railroad that should improve customer service and transparency, speed, and reliability for PAR System shippers and create additional transportation options.²⁵

²⁵ Verified Statement of Sean Pelkey (hereinafter “Pelkey VS”) at 5-7.

32. While the PAR System will be eventually fully merged into CSXT, PAS will remain a venture jointly-owned by CSXT and NSR. PAS will continue to operate separately, with B&E stepping into the shoes of Springfield Terminal as operator of PAS. Shippers using PAS will continue to benefit from an independent rail option and will also benefit from any operational and management improvements that B&E brings to bear as operator, including potential improvements in coordination between the various GWI railroads operating in New England.
33. As discussed below, there are limited instances where the operation of PAS by a GWI-owned railroad could raise competitive concerns. The parties are making a variety of commitments to preserve existing competitive alternatives for shippers that are jointly-served by PAS and for connecting carriers who have access to both PAS and a GWI railroad whose options may otherwise be reduced. These commitments are explained in more detail, below.
34. Separate from, but related to, the acquisition of Systems by CSXT, CSXT will enter the Related Transactions to further rationalize the rail network in New England and improve service and transportation options for New England shippers. Following the acquisition of Systems by CSX, NSR will have the unilateral right, subject to any required STB approval, to exercise voting control over the PAS management committee.²⁶ Likewise, NSR may initiate the sale of CSXT's one-half ownership interest in PAS to NSR or NSR's assignee within the first seven years after CSXT acquires Systems.²⁷ Additionally, NSR will have a right of first refusal should CSXT decide to sell its PAS ownership interest at any time. Therefore, although the commitments address any potential competitive concerns arising from GWI's operation of PAS, NSR retains the ability to protect itself and any PAS shippers should any operational or competitive concerns arise.

III. MERGERS AND THE ECONOMICS OF COMPETITION

35. There are well-documented, pro-competitive benefits associated with railroad mergers. Rail mergers often allow railroads to improve the efficiency of their networks and make operational improvements that translate into higher-quality service for shippers. In many cases, rail mergers create new single line service, which is widely recognized by shippers as a more

²⁶ CSXT-NSR Settlement Agreement at Section III.

²⁷ Pelkey VS at 11.

reliable and higher-quality alternative to interline service. Rail mergers also often result in operational efficiencies – in areas such as car handling, scheduling, customer service, and coordination across the network – that benefit shippers. Further, a rail merger that creates an improved – and thus more competitive – rail alternative can also put competitive pressure on competing rail carriers to improve performance and can strengthen rail as a competitor with other modes of transportation. As I discuss in more detail, below, the Proposed Transaction and Related Transactions go well beyond typical pro-competitive effects and represent significant rationalization and pro-competitive modifications to the rail network in New England and are expected to create significant benefits and improve rail access to the region.

36. It is also the case, however, that when the operations of any two railroads are combined or come under common decision-making control, there may be the potential for competitive harm arising from either the horizontal or vertical effects of the combination. The analysis of horizontal effects considers the potential reduction in competition among railroads to serve existing shippers. The analysis of vertical effects considers the more limited and theoretical concern over the reduction in competition that could harm shippers based on the vertical relationships among railroads. Such vertical concerns arise from the potential to harm competition through new and inefficient restrictions or foreclosure on the use of interconnecting upstream or downstream carriers. In the railroad industry, however, such theoretical vertical concerns are rarely in fact relevant and are generally more than offset by the pro-competitive aspects of improved service and cost reductions resulting from single-line service.

A. HORIZONTAL EFFECTS

37. Shippers as consumers of transportation service by railroads may benefit from competition among railroads to provide that service. To the extent that a shipper has economically relevant alternatives to shipping on a particular railroad, the shipper can use those alternatives to obtain the most desirable combination of price and service among those alternatives. Competition among these alternatives allows the shipper to choose between or negotiate for the best combination of price and service from multiple options. Such competition deters the exercise of market power and pushes economic outcomes toward providing potential customers the best

possible alternative, consistent with costs and alternatives of the railroad(s) and potential other providers.

38. In the case of multiple independent railroads that can serve the same shipper, it is generally the case that these railroads provide strong competitive alternatives to the shipper.²⁸ Shippers may also have competitive alternatives from other modes of transportation (such as trucking, pipeline or water transport) or may have viable alternatives for satisfying their economic needs through procurement or sales in different geographic locations or by using substitutable goods. To the extent any or all of these potential sources of competitive discipline are relevant, they may be able to deter the exercise of market power.
39. Given the economics of the rail industry, it requires very few railroads serving a shipper to provide effective competition, even when other sources of competitive discipline (i.e., intermodal or geographic and source competition) are not effective. Railroads in general have a high proportion of fixed costs relative to the variable and marginal costs of providing transportation service. When that is the case, they have a strong incentive to capture additional traffic that can generate a margin above variable costs that will contribute to covering the fixed costs of the rail network. Such incentives encourage competition among railroads in terms of price and service available to the shipper.
40. Mergers and acquisitions present the potential loss of such direct horizontal competition when two previously independent railroads come under common control for the purpose of setting prices available to a shipper. Depending on the remaining available competitive options, such common price setting among the merged railroads that previously competed may result in the exercise of market power and horizontal competitive harm to shippers. It is not necessary that there be two separate sets of tracks serving a particular shipper, merely that competitive railroads with independent price setting can provide service to a shipper through direct access or through terminal switching, haulage, or trackage rights. For these reasons, it is standard in rail mergers to identify shipper locations that previously had economically independent service and pricing from the two merging parties. When there is no other rail alternative that can provide competitive discipline, alternative conditions are provided to preserve the potential

²⁸ In the atypical case that the available routings—one railroad only runs east and the other only west—or service are sufficiently non-comparable, the degree of effective competition may be limited.

benefits to these “2-to-1” locations of rail-on-rail competition that may otherwise be lost as a result of the merger, even if other, non-rail sources of competition are adequate to discipline rates.

41. As I describe in more detail below, the Proposed Transaction and Related Transactions do not raise any significant horizontal competitive concerns.

B. VERTICAL EFFECTS

42. When considered in tandem with the Related Transactions, the acquisition of the PAR System by CSXT is an “end-to-end” transaction, meaning that the primary economic effect is to connect continuous rail routes under common ownership. The primary economic effect of the transaction is “vertical.” End-to-end transactions may alter the economics of upstream and downstream movements and routing of traffic and can raise theoretical concerns about reduction in competition to shippers based on the vertical relationships among railroads.
43. The primary concern regarding vertical effects is the ability of a merged end-to-end carrier to divert or fully foreclose traffic in a manner that inefficiently restricts competition and harms shippers served by the carrier. However, the conditions under which this type of “vertical foreclosure” leads to reductions in competition in relevant markets are extremely limited and are generally absent from railroad markets. For vertical transactions in markets that use upstream and downstream goods or services in fixed proportions there is no additional market power obtained by the vertically-integrated service provider as a result of the merger. This condition holds in the rail industry, as the movement of freight across different carriers in a multi-carrier movement entails the movement of the exact same freight across all segments of the move. The amount of freight in a movement from A to B remains the same across all segments of the route.
44. The combined railroad may have the incentive, for economic and efficiency reasons, to shift more traffic to single-line service over its own merged rail lines than before the merger. Such a change, however, is not a reflection of additional market power or an attempt to obtain

additional market power through foreclosure of an alternative interchange railroad.²⁹ Nor does it demonstrate that shippers have been harmed.

45. The conditions under which anticompetitive vertical foreclosure occur are quite limited, are rarely a concern in rail mergers, and are not a concern in this case. Nevertheless, CSXT has made commitments (described more below) to ensure the transaction does not result in any vertical competition issues.³⁰ Moreover, these commitments preserve incentives for continued use by shippers and connecting railroads.

IV. THE PROPOSED TRANSACTION IS PRO-COMPETITIVE

46. The acquisition of Systems by CSXT will create new, more efficient, and more reliable Class I, single-line rail service in New England and is fundamentally pro-competitive. In addition, the Related Transactions entered into by PAS, CSXT, NSR, and GWI provide many additional benefits for shippers. The result is a transaction that strengthens the New England rail network and does not raise any significant competitive concerns.

A. THE PAR SYSTEM

47. With respect to CSXT's acquisition of the PAR System, the primary effect of the Proposed Transaction is to improve the quality of service as a result of the eventual integration of the PAR System with CSXT. There are few shippers who are served by both CSXT and the PAR System pre-transaction (and thus few opportunities for the transaction to create any competitive harm) and CSXT has made commitments to preserve competitive pricing at those locations.

²⁹ While not an exercise of vertical market power, to the extent that vertical integration undoes the effect of external rate caps or non-profit-maximizing behavior by the acquired railroad (e.g., the PAR System), then shippers could be made worse off. This possibility does not apply in this instance.

Similarly, if as a result of efficient traffic diversion other lines become non-economic other shippers (not served by the merged partners) may be worse off. Again, such a result would not be an exercise of market power but may reflect the economically efficient allocation of resources. This is not a reasonable possibility in this case.

³⁰ Pelkey VS at 14.

1. Benefits of the acquisition of the PAR System by CSXT

48. The primary effect of the Proposed Transaction would be to improve quality of service by integrating the PAR System with CSXT.³¹ It is widely recognized that single-line rail service is generally faster, more reliable, and more efficient than movements that require interchange among railroads. This “end-to-end” transaction would eliminate a source of inefficiency in serving New England shippers in which different railroads must switch cars and provide less-than-fully coordinated service timing and reliability.³² By bringing interchange partners under a single coordinating organization, the costs and inefficiencies of physical switching would be eliminated. Additionally, and perhaps more importantly, the alignment of incentives and decision-making within a single organization would permit improvements in reliability and scheduling, and the ability to gain the economics of scope in operation across a larger, connected network.³³ Such changes are efficiency enhancing and pro-competitive.³⁴
49. As discussed in the operating plan, these types of benefits are anticipated for shippers using the PAR System.³⁵ CSXT anticipates implementing more exacting measurements of the handling of cars and trains that will lead to better coordination and scheduling of trains and more reliable service for traffic to and from the PAR System.³⁶ In addition, as a large Class I railroad, CSXT can apply additional resources and bring an array of more sophisticated methods and tools to provide better customer service and improved management of trains and the overall rail network to shippers located on the PAR System.³⁷
50. These types of service-enhancing improvements obtained through single-line service are pro-competitive. To the extent that CSXT can offer an improved combination of price and service,

³¹ Pelkey VS at 4.

³² Pelkey VS at 4.

³³ Pelkey VS at 5-7.

³⁴ In addition, integration may reduce the “double marginalization” problem – in which separately owned and operated upstream and downstream carriers each seek to achieve as much profit – margin above marginal costs— as possible from the joint-line move. These independent incentives to seek the highest potential margin fails to internalize the effect of the total cost of the joint-move on the demand for those movements. Vertical integration brings those incentives in alignment and can result in lower rates.

³⁵ See Operating Plan at 18-20, 23.

³⁶ Pelkey VS at 6.

³⁷ Pelkey VS at 5-7.

it would make the railroad a more effective competitor against other transportation alternatives, such as trucking, and makes shippers and receivers located on the PAR System more competitive in the economy as a whole. As demonstrated by the support for this transaction by numerous existing PAR System shippers, shippers anticipate obtaining benefits from this transaction.³⁸

51. The Related Transactions implement pro-competitive changes that will enhance New England rail capacity and operations in and around Ayer, MA.³⁹ One element would eliminate uncertainty related to the use of the PAS “Island Line” for overhead traffic by the integrated CSXT-PAR System. The agreement modifies the existing trackage rights caps on the PAS Island Line between Harvard, Massachusetts and CPF 312 and allows for one pair of trains between Harvard and CPF 312. Upon demonstration of sufficient capacity, including additional infrastructure to be funded by CSXT, additional trains will be permitted. By modifying existing capacity restrictions and providing for a more economically efficient trackage rights and capacity arrangement, this provision enhances the future potential benefits arising from CSXT-PAR System single-line service.⁴⁰

2. The acquisition of PAR by CSXT does not harm jointly served shippers

52. Based on information available to me and through work with CSXT and Pan Am, only four potential shippers, three located in Everett, Massachusetts and one in Boston, have been identified as being served independently by both the PAR System and CSXT.⁴¹ Everett is an inner industrial suburb adjacent to Boston with difficult rail connections to reach the less congested portion of the freight rail network located outside the urban center.

53. As an alternative to the independent competitive option potentially provided by the PAR System that would be lost as a result of the transaction, CSXT has committed to provide the option of switching service to connect these shippers to PAS which then connects to the rest

³⁸ See, CSX Application at Exhibit 23.

³⁹ Pelkey VS at 11-12.

⁴⁰ Huneke VS at 4.

⁴¹ { [REDACTED] }

of the U.S. rail network.⁴² As such there would be no reduction in horizontal competition to any shipper located on the PAR System as a result of the Proposed Transaction. As a result of these commitments from CSXT, none of the affected jointly-served shippers have expressed concerns with the transaction. In fact, one of the two affected active shippers at these jointly-served locations has indicated its support for the transaction, noting the benefits of single-line service and the higher quality service they anticipate as a result of CSXT operation of the PAR System lines.⁴³

B. PAS

54. With respect to CSXT's acquisition of Boston & Maine and its ownership interest in PAS, the Related Transactions entered into with respect to GWI-owned B&E operation of PAS would preserve PAS as an economically independent rail option. Further, GWI is a large and well-established holding company of rail operators with a significant presence in New England. Shippers on the PAS line will benefit from operational efficiencies realized as B&E draws on the best practices of GWI and is better able to coordinate operations across GWI's New England railroads.

1. Benefits of CSXT's acquisition of Systems' ownership share of PAS and B&E operation of PAS

55. As part of the Proposed Transaction, CSXT will acquire both Boston & Maine's 50 percent ownership interest in PAS and PAS's current contract operator and rate-setter, Springfield Terminal. Although direct overlap between PAS and CSXT is extremely limited, if CSXT were to retain pricing or operational control of PAS (via its ownership of Springfield Terminal or the integration of Springfield Terminal into CSXT), it is possible that the transaction could present certain competitive concerns.⁴⁴ However, as outlined in the Related Transactions,

⁴² Pelkey VS at 13-14.

⁴³ CSX Application at Exhibit 23, letter from Jean Leburn, December 16, 2020 on behalf of Ciment Quebec.

⁴⁴ I have identified only a small number of jointly-served PAS-CSXT shippers, located in Springfield, Massachusetts. As described above, since none of these shippers will lose the competitive benefit of two rail competitors with independent and unilateral interest to obtain this traffic, the Proposed Transaction does not raise competitive concerns with respect to these shippers.

Springfield Terminal will no longer be the operator and rate-setter of PAS, and CSXT will retain no pricing or operational control with respect to PAS.⁴⁵

56. B&E will step into the shoes of Springfield Terminal to operate and set rates on PAS. Under the structure of the operating agreement, B&E will have the incentive and flexibility, consistent with the protective agreements discussed below, to compete for traffic against other transportation alternatives available to shippers. This operating agreement preserves PAS as an independent rail option connecting New England to the broader US rail network. GWI is a large and well-established holding company of rail operators with a significant presence in New England. Shippers on PAS will benefit from GWI's operational experience and its ability to achieve operational efficiencies with its other New England carriers.⁴⁶
57. Given CSXT's ownership interest in PAS once the Proposed Transaction is consummated, and the fact that CSXT is the largest interchange partner with PAS after NSR (once NSR's haulage traffic is taken into account),⁴⁷ it is in CSXT's direct economic interest that PAS remain a viable and effective railroad. Moreover, CSXT commits to continue using PAS for certain categories of shipments, thus ensuring no sudden change in shipping volumes served by PAS as a result of CSXT's rationalization of traffic.⁴⁸ CSXT has committed to continue to interchange certain traffic with PAS at Rotterdam Junction for traffic to or from Ayer over PAS for traffic to or from certain regions.⁴⁹ While this is traffic that, based on the structure of the CSXT network, would normally flow over PAS for efficiency reasons the commitment provides additional assurance of traffic on the PAS system.
58. Among the Related Transactions, NSR will obtain trackage rights for the movement of one double-stack intermodal and automotive train per day in each direction on a route from NSR's connection with CSXT near Voorheesville, NY, over CSXT's mainline to Barbers Station and then, over connecting rail lines, to serve the intermodal terminal located at or near Ayer, MA.

⁴⁵ Pelkey VS at 10-11.

⁴⁶ Pelkey VS at 2, 12.

⁴⁷ The remaining interchanges between CSXT and PAS are not economically relevant. In 2019, there was no traffic interchanged at New Haven and only 3 cars at Springfield.

⁴⁸ CSXT-NSR Settlement Agreement at Section IX.

⁴⁹ CSXT-NSR Settlement Agreement at Section IX.

Height restrictions on the existing PAS Patriot Corridor connecting New York and Ayer prevent the use of that line for more efficient, double-stack intermodal service. Substantial capital investments and reconstructions would be required to eliminate this height restriction.⁵⁰ Thus, the Proposed Transaction and Related Transactions will provide immediate enhanced competition between CSXT and NSR and improved service to intermodal shippers and end-users in Eastern Massachusetts that utilize intermodal service through Ayer without the need to make duplicative capital investments. NSR will now have access to an alternative, efficient route to access the intermodal facility in Ayer with improved service and will allow NSR additional flexibility to serve its intermodal traffic in Ayer, Massachusetts.⁵¹

59. The Related Transactions provide further pro-competitive benefits for shippers at Ayer. The agreement provides new switching rights for CSXT to serve customers in Ayer that were not previously available to CSXT shippers.⁵² Previously, PAR Systems lacked the right to switch traffic that was to or from the south of Ayer (i.e., off CSXT at Barber). The Related Agreements will provide new competitive access for shippers at Ayer to the integrated CSXT road for traffic served by the existing CSXT mainline. The Related Agreements also call for CSXT to fund additional infrastructure investments in Ayer that will improve access and fluidity of movements at or through Ayer.⁵³ Thus the Related Transactions provide additional competition and pro-competitive investments that will benefit Ayer shippers and intermodal users in Eastern Massachusetts.
60. Finally, the PAS LLC Agreement provides for an automatic change from equal to NSR majority control of PAS in the event another entity acquires control of PAR, subject to any required STB approval. CSXT and NSR have agreed in the CSXT-NSR Settlement Agreement that NSR will not pursue the exercise of its majority control rights as a result of CSXT acquiring control of PAR, but that the PAS LLC agreement will be amended to give NSR the

⁵⁰ Patriot Corridor Double-Stack Clearance Initiative Project, <https://www.mass.gov/info-details/about-the-patriot-corridor-double-stack-clearance-initiative-project>

⁵¹ Pelkey VS at 11.

⁵² CSXT-NSR Settlement Agreement at Section IX.

⁵³ Ayer Operations Protocols at Section II.

same majority control rights that NSR has today with respect to PAR changes in control.⁵⁴ Moreover NSR will have, for the next seven years, the right to purchase (or have sold) CSXT's share of PAS under a specified financial mechanism.⁵⁵ These rights ensure that NSR's interest in the ongoing success of PAS will be preserved and that NSR has the opportunity to obtain full control and financial benefit from PAS' continuing operations.

2. The acquisition of Pan Am's ownership share of PAS by CSXT and the proposed operating agreement would not harm jointly served shippers

61. With B&E stepping into the role of PAS operator, CSXT's acquisition of Boston & Maine's ownership share in PAS would not harm shippers. PAS will continue to serve as an economically independent rail option in New England and all PAS shippers will retain the benefits of PAS as an independent competitor.
62. I have also considered whether B&E operation of PAS would introduce any potential competitive harms. I understand there are two customers who today are jointly served by PAS and a GWI railroad, located between Bellows Falls and Whiter River Junction, Vermont on the NECR.⁵⁶ Post-transaction, price negotiations on shipments for these customers would be limited to GWI-owned railroads. Although I understand that B&E would be operated independently from other GWI railroads, it is not unreasonable for shippers who today have access to two independent rail alternatives to view the post-transaction operation of PAS by B&E as a reduction in their competitive alternatives. As such, the parties have committed that PAS will establish rates for these customers at current levels, subject to future reasonable escalation, as long as B&E is operator of PAS.⁵⁷ This commitment will preserve the benefits of existing competitive rates for the shippers who are jointly served by PAS and a GWI railroad.

⁵⁴ CSXT-NSR Settlement Agreement at Section III.

⁵⁵ CSXT-NSR Settlement Agreement at Section II.

⁵⁶ Pelkey VS at 15.

⁵⁷ Pelkey VS at 15.

63. There is one railroad that currently can interchange with both PAS and a GWI-owned railroad: VTR with NECR at Bellows Falls and White River Junction.⁵⁸ VTR currently has haulage rights on PAS between White River Junction and Bellows Falls. These rights will be unaffected by B&E operation of PAS.⁵⁹ However, after the transaction, VTR and the shippers it serves will only have the option, at these two junctions, of interchanging with GWI-owned or operated railroads, which may raise competitive concerns about GWI's ability to raise prices for these interconnections. Recognizing these concerns, the parties have committed to conditions that will preserve the benefits of existing price competition for VTR over these interchanges.
64. For VTR for traffic to or from the east with connections to PAR, the parties have committed that PAS will establish rates for these customers at current levels, subject to future escalation, as long as B&E is operator of PAS.⁶⁰ Given the configuration of the VTR, unless the traffic is to or from New England east of Vermont, it is more logical for VTR to interchange using its northern junction or at its New York junctions—Whitehall with CP or PAS at Hoosick Junction for interchange with PAS's Class I railroad interchanges in New York. Given the configuration of the New England rail network, there is limited potential direct competitive harm to VTR resulting B&E operation of PAS. Apart from the two customers discussed above, there are no jointly served PAS-GWI customers. While physically possible, a route by which the VTR interconnecting shipments can reach the PAR System without PAS being involved in the movement is highly circuitous relative to the movement over PAS. Regardless, the commitment to establish rates for these customers at current levels will preserve the benefits of any existing intramodal competition to which shippers using the VTR interchanges at Bellows Falls or White River Junction to reach the PAR System.
65. VTR connects with PAS at Hoosick Junction in New York. This is the logical interchange for VTR for most traffic to the west as the interchange is located on the western portion of PAS,

⁵⁸ A simple viewing of a New England railroad map would suggest that CNZR may interchange with PAS and GWI-owned CSO at Hartford, CT. Such a view, however, does not reflect the history and reality that governs the network. CSXT, not CSO, is the interline railroad with CNZR for purposes of establishing pricing; CSO merely provides physical interchange on behalf of CSXT. Thus, there is no competitive harm arising from B&E operating PAS.

⁵⁹ Pelkey VS at 15.

⁶⁰ Pelkey VS at 15.

with a short haul over PAS to and from the PAS interchanges with Class I carriers at Mechanicville and Rotterdam Junction. (VTR also has multiple direct interchanges with CP.) NSR also interchanges with VTR at Hoosick Junction using its existing haulage rights. While perhaps not the most efficient route for much traffic, it is feasible for VTR traffic to move over Bellows Falls, southeast over NECR, and then interconnect with CSXT directly. The parties have committed that PAS will establish rates for these customers at current levels, subject to future escalation, as long as B&E is operator of PAS.⁶¹ Such a commitment preserves the benefits of any existing intramodal competition on PAS for VTR to reach CSXT and its customers.

66. The parties also commit to provide haulage between storage facilities at East Deerfield and VTR’s Bellows Falls and White River Junction interchanges.⁶² There is no loss in direct intramodal competition at East Deerfield from the Proposed Transaction as East Deerfield is solely served by PAS. East Deerfield, however, is an important staging point in New England for the transportation of liquified petroleum gas (“LPG”) by rail. It is my understanding that LPG is an important commodity for VTR. To the extent there is a concern about the competitive impact of B&E operation of PAS with respect to these movements of LPG to VTR-served customers, the haulage right commitments preserve the benefits of existing competition.

67. Further, the parties also commit to providing VTR with the same or better service as is provided today on the movements subject to these commitments.⁶³ Collectively these commitments preserve the benefits of existing competition for VTR and its shippers.

C. ADDITIONAL BENEFITS AND PROTECTIONS

68. As explained above, numerous short-line carriers connect with the PAR System or PAS. Shipments frequently reach other Class I carriers, in addition to NSR and CSXT, across the North American rail network. To the extent the Proposed Transaction improves the quality of

⁶¹ Pelkey VS at 15.

⁶² Pelkey VS at 15.

⁶³ Pelkey VS at 15-16.

service provided along the PAR System and PAS lines, shippers on those connecting carriers will benefit from those improvements.

69. Vertical competition problems are not often relevant in this type of end-to-end transactions. The post-transaction carriers have no incentive to attempt to anti-competitively harm connecting carriers. As discussed above, the Proposed Transaction and Related Transactions will likely enhance in many ways the efficiency of the New England rail network. NSR, CSXT, PAS, and B&E, acting as PAS's agent, will have no incentive to foreclose connecting shippers' access or to preclude additional interline traffic that can benefit from these efficiencies; just the opposite. To the extent they can attract additional traffic originating or terminating on these connecting New England carriers, they will benefit from the additional traffic and revenue.
70. Nevertheless, in the Proposed Transaction CSXT is committing to keep all existing active PAR System gateways affected by the Proposed Transaction open on commercially reasonable terms. Further, CSXT commits to waiving any right it might otherwise have under the Board's rules to refuse requests by shippers to establish local, separately challengeable rates for movements on the PAR System to an interchange with another rail carrier.⁶⁴

V. CONCLUSION

71. The acquisition of Systems by CSXT would be pro-competitive. The Proposed Transaction would improve the New England rail network; the integration of the PAR System into the CSXT network would create new, more efficient and reliable Class I single-line service; CSXT would bring to bear the tools and resources of a Class I railroad; and improved and more efficient operations will increase rail options for customers in New England. The Related Transactions involving NSR and CSXT trackage rights would also benefit shippers by improving CSXT's operation on the former PAR System line and providing NSR with more flexibility and improved service to intermodal customers in eastern Massachusetts.
72. The Proposed Transaction does not raise any significant competitive harms for shippers. There are only a small number of shippers on the PAR System line that are also served by CSXT.

⁶⁴ Pelkey VS at 14.

CSXT has committed to maintaining a competitive alternative for these shippers by providing the option of switching service for these shippers to PAS which then connects to the rest of the U.S. rail network.

73. With respect to PAS operations, the operating agreement with GWI, which grants B&E control over pricing and operating decisions, would preserve PAS as an independent rail option from upstate New York to eastern Massachusetts. To the extent B&E operation of PAS risks reducing competitive alternatives for a small number of shippers or interconnecting railroads, the parties have agreed to conditions that preserve current competitive conditions.

I declare under penalty of perjury that the foregoing is true and correct.

/s/ David Reishus

David Reishus

February 25, 2021



CURRICULUM VITAE

David Reishus

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PROFESSIONAL EXPERIENCE

Compass Lexecon
Boston, MA
Executive Vice President, April 2013 – present
Senior Vice President/Senior Managing Director, July 1999 – March 2013

The Economics Resource Group, Inc., Cambridge, MA
President, 1993 – June 1999
Senior Economist, 1990 – 1993

Provides economic analysis and advice on issues of regulation, antitrust, taxation and applied microeconomics to a variety of clients. Develops, manages, and oversees economic analyses for clients and other principals. Responsible for the management and operations of the company.

U.S. Congress, Joint Committee on Taxation, Washington, DC
Economist, 1987 – 1990

Provided economic analysis and development of legislative tax proposals. Responsibilities included corporate and foreign taxation and proposals related to low-income taxpayers, child care, and health issues.

Harvard University, Cambridge, MA
Instructor, 1986 – 1987

Leader of senior thesis tutorial for industrial organization and finance topics. Previously taught Introductory Economics.

Information Resources, Inc., Chicago, IL
Consultant, 1979 – 1980

EDUCATION

Harvard University, Cambridge, MA
 Ph.D. in Economics, 1988
 Dissertation: “Empirical Essays on the Economics of Taxation and the Firm”
 M.A. in Economics, 1983

Northwestern University, Chicago, IL
 B.A. in Economics, 1979

TESTIMONY AND OTHER REPORTS

Government of Canada

World Trade Organization, United States—Countervailing Measures on Supercalendered Paper From Canada, Recourse to Article 22.6 of the DSU by the United States (WT/DS5050). Methodology for Calculating Canada’s Losses From U.S. Application of the OFA-AFA Measure. September 18, 2020. (With Andrew Lemon.)

Government of Canada

Before the International Trade Administration, Department of Commerce, Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada (C-122-858), Second Administrative Review. Economic Analysis of British Columbia Log Export Permitting Process, Stumpage and Log Markets. Expert Witness Statement, August 5, 2020. *Economic Analysis of Allegations Relating to Log Markets and Exports from Four Provinces.* (Also Government of British Columbia.). Expert Witness Statement, August 5, 2020. *Response to Coalition’s Submission of September 15, 2020.* Expert Witness Statement, October 1, 2020.

Association of American Railroads

Before the Surface Transportation Board. Docket No. EP 761, Hearing on Railroad Revenue Adequacy. Response to the “Benchmark Methodology” Proposal Submitted by the American Chemistry Council. Verified Statement, February 13, 2020. (With Joseph Kalt).

Government of Canada

Before the International Trade Administration, Department of Commerce, Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada (C-122-858), First Administrative Review. Response to Petitioner’s Submission of August 12, 2019. Expert Witness Statement, August 26, 2019. *Economic Analysis of Log Export Regulations from Four Provinces.* Expert Witness Statement, April 8, 2020. *Evaluation of the Use of U.S. Export Log*

Prices as a Canadian Log Price Benchmark. Expert Witness Statement, June 18, 2020.

Governments of British Columbia and Government of Canada

Before the International Trade Administration, Department of Commerce, Countervailing Duty Investigation of Certain Softwood Lumber Products From Canada (C-122-858), First Administrative Review. Economic Analysis of British Columbia Log Export Permitting Process, Stumpage and Log Markets. Expert Witness Statement, July 15, 2019. (With Joseph Kalt).

Government of Canada

Before the International Trade Administration, Department of Commerce, In the Matter of Certain Softwood Lumber Products from Canada (A-122-857). Economic Analysis Regarding Claims of Particular Market Situation for Canadian Softwood Lumber By-Products. Expert Witness Statement, July 20, 2017.

Association of Oil Pipe Lines

Before the Federal Energy Regulatory Commission. Docket No. RM17-1-000 Revisions to Indexing Policies and Page 700 of FERC Form No. 6. Declaration, January 19, 2017.

BNSF Railway Company

Before the Surface Transportation Board. Finance Docket No. 32760 (Sub-No. 46) BNSF Railway Company -- Terminal Trackage Rights --Kansas City Southern Railway Company and Union Pacific Railroad Company. Verified Statement, October 23, 2015.

Association of American Railroads

Petition of the Association of American Railroads to Institute a Rulemaking Proceeding to Reintroduce Indirect Competition as a Factor Considered in Market Dominance Determinations for Coal Transported to Utility Generation Facilities; Surface Transportation Board Ex Parte No. 717. Verified Statement, November 14, 2012.

Modis

In the United States District Court for the District of Columbia, Case 1:09-cv-01051-RWR, Modis, Inc. v. Infotran Systems, Inc. and Tien H. Tran v. Modis Inc. and Timothy W. Martin. Expert Report, October 18, 2010. Deposition testimony December 7, 2011.

Government of Canada

In the Matter of Arbitration No. 91312, Canada v. The United States of America. Expert Witness Statement of Joseph P. Kalt and David Reishus, May 12, 2009.

Government of Canada

In the Matter of Arbitration No. 7941, The United States of America v. Canada. Expert Witness Statement, June 29, 2008. Rebuttal Expert Witness Statement, August 11, 2008. (With Joseph Kalt).

Government of Canada

In the Matter of an Arbitration Under Chapter Eleven of the North American Free Trade Agreement Between Merrill & Ring Forestry, L.P. and The Government Of Canada. Expert Report, May 9, 2008. Supplemental Expert Affidavit, March 19, 2009. Oral testimony, May 21, 2009.

Dynegy

In the Circuit Court of Colbert County, State of Alabama, NO. CV-2003-142JMH, Nelson Brothers, LLC v. Cherokee Nitrogen v. Dynegy Marketing & Trade; Dynegy Inc. Expert Report, August 22, 2007.

Independent Energy Producers Association of California

Before the Federal Energy Regulatory Commission, Docket No. R.06-02-013, Long-Term Procurement Plans, Prepared Testimony of the Independent Energy Producers Association; Prepared Testimony of David Reishus and Joseph Cavicchi on behalf of the IEPA, March 2, 2007.

First Energy

Before the Pennsylvania Public Utility Commission, Petition of Metropolitan Edison Company for Approval of a Rate Transition Plan (Metropolitan Edison Company Docket No. R-00061366) and Petition of Pennsylvania Electric Company for Approval of a Rate Transition Plan (Pennsylvania Electric Company Docket No. R-00061367), Direct Testimony of David A. Reishus, April 10, 2006.

ExpressTrak LLC

In the United States District Court For the District of Columbia, Case No. 02- CV-1773, National Railroad Passenger Corporation v. ExpressTrak, L.L.C., Expert Report, Dated January 3, 2006; revised April 7, 2006. Deposition testimony, March 24 and April 26, 2006.

British Columbia Lumber Trade Council and the Province of British Columbia

Before the International Trade Administration, Department of Commerce, In the Matter of Certain Softwood Lumber Products from Canada (C-122-839). Statement for the First Administrative Review, March 15, 2004 (with Joseph Kalt); Response to Price Impact of Canadian Log Restraints, March 16, 2004 (with Joseph Kalt); Response to Coalition Submission on Pass-Through Issues, April 15, 2004 (with Joseph Kalt); Economics of Arm's-Length Transactions and Subsidy Pass-Through, September 15, 2004 (with Joseph Kalt); Economic Analysis of the Vancouver Log Market, February 28, 2005 (with Joseph Kalt); Comment on the Economic Implications of the Annual Allowable Cut, December 5, 2005 (with Joseph Kalt);

Update to Economic Analysis of the Vancouver Log Market, December 5, 2005 (with Joseph Kalt). Reports filed from March 15, 2004 to December 5, 2005.

Multiple Associations of Energy Producers

Before the Public Utilities Commission of the State of California, Rulemakings R.04-04-025 – R.04-04-003, “Prepared Rebuttal Testimony,” October 28, 2005 (with A. Joseph Cavicchi). Oral testimony, January 23 and 24, 2006.

PPL Corporation

United States of America, Before the Federal Energy Regulatory Commission, Docket No. ER05-1416-000, “Affidavit of A. Joseph Cavicchi, Joseph P. Kalt, Ph.D., and David A. Reishus, Ph.D. on Behalf of the PPL Parties,” October 19, 2005.

The Burlington Northern and Santa Fe Railway Company

Before the Surface Transportation Board, Finance Docket No. 34342, Kansas City Southern -- Control -- The Kansas City Southern Railway Company, Gateway Eastern Railway Company, and The Texas Mexican Railway Company. Verified Statement, June 3, 2003; Verified Statement, August 4, 2003; Reply Verified Statement, August 29, 2003.

Dynegy Inc.

United States of America, Before the Federal Energy Regulatory Commission, San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services, Investigation of Practices of the California ISO and PX; Pub. Utils. Comm’n of the State of California v. Sellers of Long-Term Contracts. Prepared Rebuttal Testimony (with Patrick Wang), March 20, 2003.

Duke Energy Trading and Marketing LLC

United States of America, Before the Federal Energy Regulatory Commission, San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services into Markets Operated by the California Independent System Operator and the California Power Exchange; Investigation of Practices of the California Independent System Operator and the California Power Exchange. Prepared Rebuttal Testimony (with Patrick Wang), March 20, 2003.

Dynegy Inc.; Duke Energy Services LLC; Mirant Americas, Inc.; Reliant Energy; Williams Energy Marketing and Trading Co.

United States of America, Before the Federal Energy Regulatory Commission, San Diego Gas & Electric Company v. Sellers of Energy and Ancillary Services into Markets Operated by the California Independent System Operator and the California Power Exchange; Investigation of Practices of the California Independent System Operator and the California Power Exchange. Affidavit (with Patrick Wang), October 15, 2002 (revised November 12, 2002).

Association of American Railroads

Review of Rail Access and Competition Issues, Before the Surface Transportation Board, Ex Parte No. 575. Joint Verified Statement (with Joseph Kalt), March 26, 1998.

Crow Tribe of Indians

Report Concerning the Crow Tribe Resort Tax (with Joseph P. Kalt), November 27, 1996; *Surrebuttal Report Concerning the Crow Tribe Resort Tax* (with Joseph P. Kalt), February 25, 1997; and *Report Concerning the Crow Tribe Resort Tax* (with Joseph P. Kalt), March 31, 2000.

Sithe Energies

Economic Impact on New York State of the Sithe Plan, Chapter IV of *Energizing New York: The Sithe Plan*, December 8, 1995.

Massachusetts Department of Environmental Protection

Use of an Economic Test for Distinguishing Legitimate Recycling Activities, July 1993.

SELECTED OTHER CONSULTING EXPERIENCE

Government of Canada

Assisted in developing presentations, responses and submissions before WTO dispute settlement panel regarding countervailing duties.

Class 1 Railroad

Analyzed competitive issues in arbitration regarding implementation of access agreements.

Major Coal Producers

Analyzed end-market competitive alternatives and pricing behaviors.

Management Company

Analyzed lost profits and other damages arising from contractual dispute in Asian gaming.

Large Integrated Electric Utility

Analyzed cost and rate impacts related to shut down of nuclear plant.

International Oil Company

Analyzed cost structure for major deepwater crude oil exploration and production investment.

Independent Transmission Company

Analyzed risk and financial investment incentives for stand-alone transmission project.

Large Solar Power Provider

Assisted in data analysis of market operations and outcomes.

Merchant Power Generator

Analyzed economic, regulatory and financial issues related to proposed new pipeline investment and novel regulatory regime.

Supermajor Oil Company

Assist in analysis of competition and proposed conditions related to divestiture of regional midstream petroleum product assets.

Electric and Gas Utility Holding Companies

Analyzed potential competitive issues arising from multiple mergers between large electric, gas utility, and interstate gas pipeline companies for use before Federal competition authorities and state regulatory agencies.

Major Regional Hospital

Performed statistical analysis of patient waiting-times and follow-up.

Petroleum Products Pipeline

Analyzed business and regulatory options for large interstate petroleum products pipeline subject to market-based and regulated tariffs.

Dean Foods

Analyzed claims of price fixing and statistical model of antitrust damages for use in class certification.

Group of Class 1 Railroads

Analyzed claims of competitive harm and the development and use of econometric models for pricing, damages and class certification in the context of alleged price-fixing.

Government of Canada

In context of international arbitration under the U.S. Canada Softwood Lumber Agreement, analyzed pricing patterns, effects of risk and government development and timber pricing policies in multiple provinces on the North American lumber markets, Developed dynamic economic models of production and trade capable of determining appropriate export measure adjustments.

Major Energy Traders

Assisted in analyses of claims of market manipulation in physical and financial energy markets.

U.S. Generation Companies

Advise on methods for performing merger analysis and analysis of competitive effects of proposed divestitures.

Western Refining

Analyzed effect of a contested proposed merger involving southwestern refining, wholesale, and marketing operations

AT&T

Analyzed competitive issues in the long-distance telephone market in the context of a class-action price-fixing suit.

Pacific Lumber/Scotia Pacific

Assisted in analysis and projections involving redwood product markets for business valuation in bankruptcy.

TAPS Carriers

Assisted in development of ratemaking analyses for oil pipeline rates.

General Electric & Bechtel

Analyzed derivation of cost of equity, discount factor, and method for contract damages and expropriation of Dabhol power plant in the context of I.C.C. arbitration.

Class 1 Railroad

Analyzed potential competitive harm of vertical rail merger and possible remedies before the Canadian Competition Bureau.

Multinational Oil Companies

Analyzed alternative approaches for identifying, measuring and managing price and fiscal risks in long-term contracts in connection with multiple billion-dollar-plus projects in in Africa and Middle East.

Frontier Oil Corporation

Analyzed application of discount factors and method in damages arising from a failed merger.

Amoco

Analyzed marketability and market value of natural gas for purposes of class-action royalty valuation.

Class 1 Railroad

Analyzed claims of vertical market foreclosure and anticompetitive conduct in rail transportation.

Supermajor Oil Company

Performed functional analysis of sources of global value creation for international tax treatment.

Government of Canada

Assisted in analysis of changes in forestry practices and stumpage charges in the context of international trade agreements.

Exxon Corporation and Affiliated Companies

Performed analysis of design and effect of U.K. oil and gas tax system.

CSX Corporation and CSX Transportation, Inc.

Analyzed historical evidence of rail consolidations and the impact of the proposed Conrail transaction on Eastern coal shippers. Evaluated competitive requirements of proposed conditions on the transaction.

Group of Major Oil Companies

Developed and analyzed a database of crude oil purchases for analyzing issues of crude oil valuation at the wellhead in the context of multiple class action litigations.

Koch Pipeline

Assisted in developing product and market definitions relating oil pipeline antitrust allegations.

British Petroleum

Performed economic analysis of alternative organizational forms for operating petroleum assets. Developed advanced financial tools for valuing decision alternatives and contingent assets.

Exxon

Performed economic analysis of certain fuel used and cost allocations among the Prudhoe Bay Unit owners for a royalty dispute with the State of Alaska.

Burlington Northern Railroad/Santa Fe Railroad

Analyzed competitive impacts of proposed railroad merger for use before the Interstate Commerce Commission.

PSI/CINergy

Adapted economic model of regional economy and performed analysis of the economic impact of alternative merger scenarios for a public utility.

El Paso Natural Gas Company

Performed economic analysis of markets and competition for an open-access natural gas pipeline for use in an antitrust case.

Better Home Heat Council, Inc.

Performed economic analysis of a local gas utility's conservation programs effect on consumer fuel-switching decisions and public policy impact for use before the Massachusetts Department of Public Utilities.

Association of American Railroads

Analyzed the impact of market conditions for the exemption of rail transportation of export corn and soybeans from Interstate Commerce Commission regulation.

ARCO Pipe Line Company

Evaluation of market power of petroleum products pipeline in consideration of light-handed regulation for use before the Federal Energy Regulatory Commission.

BP/America

Assisted in the design and implementation of crude oil valuation analyses for royalty litigation.

Williams Natural Gas Pipeline Co.

Prepared pricing analysis of natural gas purchase contracts, performed calculation of damages, and analyzed economic submissions for use in antitrust case.

El Paso Corporation

Various projects including strategic analysis of market opportunities to enhance value of the pipeline and analysis of market competition in gathering and long-distance gas transportation.

Government of British Columbia

Assisted in evaluation of impact of Canadian log export regulations on U.S. and Pacific Rim log and wood products trade and industry.

Atlantic Richfield Company

Provided economic analysis of market structure and conduct for the distribution of motor fuels for use in an antitrust case.

Burlington-Northern Railroad

Assisted in evaluating market impacts of innovative railroad grain car service rate and reservation policy for use before the Interstate Commerce Commission.

PUBLICATIONS AND RESEARCH

“Corporate Reorganizations: Tax Treatment of Corporate Mergers, Acquisitions, and Reorganizations,” *The Encyclopedia of Taxation and Tax Policy*, 2nd ed., The Urban Institute Press, 2006. (Revised and updated.)

“Corporate Reorganizations: Tax Treatment of Corporate Mergers, Acquisitions, and Reorganizations,” *The Encyclopedia of Taxation and Tax Policy*, The Urban Institute Press, 1999.

"Outside Directorships, the Reputation of Managers, and Corporate Performance" (with S. Kaplan), *Journal of Financial Economics*, Vol. 27, No. 2, September 1990.

"Financing Child Care: Who Will Pay for the Kids?," *National Tax Journal*, Vol. XLII, No. 3, September, 1989.

"The Effects of Taxation on the Merger Decision" (with A. Auerbach), in A. Auerbach, ed., *Corporate Takeovers: Causes and Consequences*, University of Chicago Press, 1988.

"Taxes and the Merger Decision" (with A. Auerbach), in J. Coffee, L. Lowenstein, and S. Rose-Ackerman, eds., *Knights, Raiders and Targets*, Oxford University Press, 1988.

"The Impact of Taxation on Mergers and Acquisitions" (with A. Auerbach), in A. Auerbach, ed., *Mergers and Acquisitions*, University of Chicago Press, 1988.

OTHER PROFESSIONAL ACTIVITIES

Presentations to National Bureau of Economic Research, Federal Reserve Bank of Cleveland, Federal Reserve Bank of New York, Harvard University, Tax Economists Forum, National Tax Association, Western Economic Association, The Institute for Energy Law of The Center for American and International Law.

Membership in American Economic Association.

Referee for *Quarterly Journal of Economics*, *Journal of Law and Economics*.

HONORS AND AWARDS

National Science Foundation Fellowship, 1981-1985.

International Foundation of Employee Benefit Plans, Graduate Research Fellowship, 1984.

Phi Beta Kappa, 1979.

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE
CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD,
PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD
TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND
VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 22

Verified Statement of Dr. William Huneke

VERIFIED STATEMENT OF
WILLIAM F. HUNEKE, Ph.D.

I am Dr. William Huneke. I was employed at the Surface Transportation Board (“STB” or “Board”) from 2001-2017 and served as the STB’s Chief Economist and Director of the Office of Economics. I hold a PhD in economics from the University of Virginia. While at STB, I advised STB members and staff on the following mergers and acquisitions: Canadian National Railway Company and Grand Trunk Corporation—Control—EJ&E West Company (Finance Docket No. 35087), Norfolk Southern Railway Company—Acquisition and Operation—Certain Rail Lines of the Delaware and Hudson Railway Company, Inc. (Finance Docket No. 35873), and Norfolk Southern Railway Company, Pan Am Railways, Inc. et. al.—Joint Control and Operating/Pooling Agreements—Pan Am Southern LLC (Finance Docket No. 35147). I also advised Commissioners and STB staff on the economics of proposals in Ex Parte 575 Review of Rail Access and Competition Issues Renewed Petition of the Western Coal Traffic League (aka “Paper Barriers”) and Ex Parte 711 Petition for Rulemaking to Adopt Revised Competitive Switching Rules and Ex Parte 711 (Sub. No. 1) Reciprocal Switching. Since leaving STB, I have advised Class I railroads on STB access fees litigation and merger and acquisition issues. I have advised the Mexican Rail Regulator (Agencia Reguladora del Transporte Ferroviario) on rail regulatory policy. A copy of my vita is attached to this statement.

I was asked by CSX Transportation, Inc. (“CSXT”) to address the competitive effects of CSXT’s proposed acquisition of Pan Am Systems, Inc. and Pan Am Railways, Inc. and its subsidiary railroads, (“PAR”), with a particular focus on the competitive effects of agreements that CSXT has negotiated with Norfolk Southern Railway Company (“NSR”) and Genesee & Wyoming Inc. (“G&W”) since announcing the intention to acquire PAR. As I explain below, the agreements have addressed any potential competitive concerns arising out of CSXT’s acquisition of PAR. In fact, those agreements go one step

farther -- they promise to substantially enhance rail competition in New England. As it is now structured, CSXT's acquisition of PAR will be strongly pro-competitive.

The Board's rules do not require a showing of competitive enhancements in mergers or acquisition that do not involve a merger of Class I railroads.¹ The Board's only concern in smaller transactions such as this one is whether the transaction is likely to harm competition. This standard ensures that that the Board will let the market govern railroad transactions to the maximum extent possible, limiting Board intervention to those circumstances where competition must be protected. While the Board does not require a showing of competitive enhancement in transactions such as this one, when a proposed transaction has the potential to enhance competition, as it does here, the Board should view such a transaction as a unique opportunity to advance the public interest in a competitive and strong rail network.

The background facts of this transaction are covered in other materials. In brief, CSXT's acquisition of PAR will combine CSXT with a number of railroads owned by PAR, most of which simply own or lease rail lines and do not operate themselves. Most important for my analysis is the acquisition of Springfield Terminal Railway Company ("Springfield Terminal"), one of the rail carriers owned by PAR. Springfield Terminal is the sole operator of the PAR network. In 2009, a PAR railroad and NSR created Pan Am Southern LLC ("PAS"), a 50/50 joint venture between the two railroads. PAR donated rail lines and operating rights to PAS, and PAS hired Springfield Terminal to operate and set rates on the PAS network on a contract basis. PAR and NSR created PAS primarily to allow for needed capital investment in PAS's lines and to give NSR assured access to the Boston area.

¹ With the adoption of the new merger rules in 2001, STB declared that it would demand future class I mergers enhance competition. See Ex Parte No. 582 (Sub-No. 1), *Major Rail Consolidation Procedures*, June 11, 2001, p. 10 and 49 CFR 1180.1(c)(2)(iv).

CSXT's proposed acquisition of PAR is mostly end-to-end, with little potential for adverse competitive impacts. The PAR network, not including PAS, is a mostly north-south rail network extending north from Boston into Maine. CSXT's acquisition of PAR will allow CSXT to extend its network reach north of Boston and bring efficient service into New England. In addition, CSXT will acquire (1) PAR's 50% interest in PAS, and (2) the railroad, Springfield Terminal, that PAS has hired to operate and set rates for PAS. PAS operates an east-west line extending from upstate New York into the Boston area. CSXT also moves traffic on a more southerly east-west CSXT line that is roughly parallel to the PAS line. Since PAS owns a route that is roughly parallel to an existing CSXT route from upstate New York into the Boston area, CSXT's acquisition of a controlling interest in PAS and the contract operator and rate-setter for PAS could have given CSXT some influence over competition for movements into New England. However, CSXT entered into agreements with NSR, the other 50% owner of PAS, and with G&W to ensure that PAS would continue to be a fully competitive alternative to CSXT's southern parallel line. And in reaching those agreements, CSXT has ensured that rail competition in New England will actually be strengthened and enhanced.

First, CSXT and NSR have agreed that if the Board approves CSXT's acquisition of PAR, a subsidiary of G&W will replace Springfield Terminal as the contract operator and rate-setter of PAS. G&W owns a number of rail carriers that are already present in New England and therefore has extensive knowledge of the market and relevant operating conditions. The operation of PAS by a G&W subsidiary ensures the existence of an independent and competitive route for rail traffic into New England. When the Board approved the creation of PAS, it noted that

the Transaction would significantly increase competition between railroads by providing an upgraded east-west main line route to compete with a parallel main line route operated by CSXT.²

² *Norfolk Southern Railway Company, Pan Am Railways, Inc., et al.,--Joint Control and Operating/Pooling Agreements – Pan Am Southern LLC*, STB Finance Docket No. 35147, slip op. at 5 (served March 10, 2009).

The agreement to have a G&W subsidiary operate PAS preserves access to New England shippers by NSR and other Class I railroads that connect to PAS, and also maintains an alternative route for CSXT, which strongly promotes the pro-competitive objective in the creation of PAS.

Second, the Settlement Agreement between CSXT and NSR gives NSR the capability to provide double-stack intermodal service into the Boston area by avoiding a tunnel constraint that exists on PAS today. Today, NSR must remove a layer of intermodal containers in New York State before moving on PAS. By granting NSR trackage rights over a route that can handle double-stack intermodal traffic, NSR will have an enhanced ability to compete with CSXT. This agreement also enhances NSR's intermodal service competitive position versus highway carriers. Such a competitive enhancement can take trucks off the highway and bring environmental benefits.

Finally, the Settlement Agreement with NSR also removes a potential competitive restraint on CSXT's movement of rail traffic into and out of New England. When PAS was created, PAS granted PAR/Springfield Terminal overhead trackage rights over a rail segment near Ayer, MA, allowing PAR/Springfield Terminal to connect its northern lines to CSXT. But the trackage rights had a volume cap, and traffic over that line segment has consistently exceeded the volume cap. CSXT and NSR have agreed to modify that volume cap and replace it with a process that will allow current traffic volume to move over the overhead trackage rights and to enable the development of capacity to handle any increase in that traffic. By modifying the volume cap, the parties have eliminated an element of the trackage rights that could have restrained CSXT's ability to reach rail shippers in New England.

In conclusion, the STB has been presented with a transaction that enhances competition. It strengthens three railroads: NSR, PAS, and CSXT and provides shippers to and from New England with the best in class service that CSXT has developed over the past several years. This competitive enhancement should mean more robust intramodal and intermodal competition, which translates into

better rail service and fewer trucks on the highway with the accompanying environmental benefits. It warrants approval by the STB.

I, William F. Huneke, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement. Executed on February 25, 2021.

/s/ William F. Huneke

William F. Huneke

WILLIAM F. HUNEKE
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Herndon, VA 20170
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Home number: 703-450-5894
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Summary:

Dr. Huneke has more than 35 years of experience in economics, railroad regulatory policy, management consulting, business analysis and teaching in the commercial and government sectors. He led the analytical work at the Surface Transportation Board. At UUNET he introduced new information technology that dramatically reduced product deployment cycles. He has directed projects that positioned major financial firms to improve business operations and use new technology for competitive advantage. Dr. Huneke taught graduate business courses at the University of Maryland, Robert H. Smith School of Business.

Positions Held

Consulting Economist

Dr. Huneke provides economic advice to private sector clients. His expertise includes management economics, regulatory economics, antitrust, statistics and econometrics. As part of an Organization of Economic Cooperation and Development, Dr. Huneke has advised the Mexican Rail Regulator (Agencia Reguladora del Transporte Ferroviario) on rail regulatory policy and access charge regimes. He has provided testimony and litigation advice to Class I Railroads and the Association of Short Line and Regional Railroads. He has advised in a private arbitration.

National Academy of Sciences, Transportation Research Board, Committee Rail Freight Transportation, 2017-2020

Dr. Huneke advised the Committee on economic and regulatory matters. He reviewed papers for presentation at the TRB's annual meeting.

Chief Economist and Director, Office of Economics, Surface Transportation Board, 2001-2017

Dr. Huneke led the economic and management analysis on rate regulation cases, railroad practice cases, agency rulemakings, railroad construction cases and railroad mergers. His group was responsible for industry financial reporting, auditing, regulatory costing and the industry traffic sample database.

Adjunct Professor, College of Business and Management, University of Maryland, College Park, MD 1990-2010

For 20 years, Dr. Huneke taught graduate courses in international business, global economic environment, and managerial economics. He also developed and taught executive MBA courses for the University of Maryland sponsored Polish American Management program at University of Lodz in Poland.

Director, Planning & Infrastructure, UUNET Technologies, 1998-2001

At UUNET he introduced new information technology that dramatically reduced product deployment cycles. Dr. Huneke managed new technology evaluation and deployment, systems architecture, quality assurance, software testing, data administration and database administration, capacity planning and security planning. He administered the IT division's budget, which was over \$60 million in expense and \$150 million in capital.

Vice President, Avatar Solutions, 1995-1998

Dr. Huneke was responsible for leading the company's production operations. As the company's business grew, he managed the company's operations from serving one client in Northern Virginia to multinational

operations serving clients on multiple continents. He directed operations to achieve the company's goals of consistently meeting and exceeding customer expectations.

Vice President, Disclosure, Inc., 1994-1995

For a financial information electronic publisher, he led a staff of 50 in the rapid development of products to meet market opportunities. Responsibilities included understanding the market so that developed products best met market needs and achieved competitive advantage. He was instrumental in redesigning business operations to dramatically reduce product cycle times from years to months.

Director, Freddie Mac, Reston, VA 1987- 1994

Dr. Huneke analyzed the competitive and technical environment facing Freddie Mac and sought opportunities to achieve superior economic returns. He directed projects that positioned Freddie Mac to improve business operations and use new technology for competitive advantage. He reviewed Freddie Mac lines of business and created product development plans for a new product cycle. Analyzed the productivity of systems development and evaluated the opportunities for gaining competitive advantage through reduced product cycle times. Dr. Huneke managed the preparation and administration of \$50 million budget for capital and other expenses.

Assistant Director, Intermodal Policy Division, Association of American Railroads, Washington, DC 1983-1987

For the Association, he managed research and analysis of key industry issues including vertical mergers, cost-benefit analyses of government projects and user fee impacts. Dr. Huneke directed competitive analyses of three industries including computer simulation of management strategies, new technology and comparative cost structure.

Senior Economist, DNS Associates, Washington, DC 1981-1983

In his first job in Washington while completing his dissertation, Dr. Huneke served as an analyst in the specification and development of automated management information systems. He analyzed the competitive effects of mergers and government regulation on the transportation industry.

Instructor and Research Assistant, University of Virginia, 1978-1981

Taught economic principles courses and worked on constructing an economic model of a consumer goods industry.

Publications

Book:

The Heavy Hand: The Government and the Union Pacific, 1862-1898, Garland Publishing, 1985.

Articles:

"The Uniform Regulatory Cost System: Implications for Transportation Management," (with Tom O'Connor and John M. Robinson) Proceedings of the Transportation Research Forum, 1983.

"Financial Performance of the Shallow Draft Barge Industry: Problems and Prospects," (with Kevin Horn and David Benforado) Proceedings of the Transportation Research Forum, 1985.

"Greater Efficiency or Predation: The CSX-ACBL Merger," (with L. Lee Lane and Thomas M. McNamara) Transportation Research Record 1038, Freight Papers--1985.

"A Competitive Analysis of United States Lines Round-the-World Service," (with L. Lee Lane and David J. Benforado) Proceedings of the Transportation Research Forum, 1986.

“A Comparison of Regulated and Exempt Towing Rates on the Inland Waterways: Implications for Deregulation,” (with Kevin Horn) Transportation Research Record, 1987.

“United States Lines’ Round-the-World Service: What Went Wrong?” (with L. Lee Lane and David J. Benforado) Intermodal Forum, Spring 1987.

“An Assessment of the Rail Competitive Motor Carrier Industry, 1977-1986,” (with K. Eric Wolfe and Vijaya Krishna) Journal of the Transportation Research Forum, 1987.

“Railroads, Historical Overview,” in The Oxford Encyclopedia of Economic History, Edited by Joel Mokyr, 2003.

“Road Transportation, Regulation,” in The Oxford Encyclopedia of Economic History, Edited by Joel Mokyr, 2003.

“Working Party No. 2 on Competition and Regulation, Roundtable on Structural Reform of the Rail Industry – United States,” (with Russell Pittman) Organization for Economic Co-operation and Development, February 2005.

“Role of STB Economists,” Journal of Transportation Law, Logistics and Policy, Fourth Quarter 2005.

“A Game Theory Approach to Railroad-Shipper Negotiations,” Journal of the Transportation Research Forum, Spring 2006.

“The Political Economy of Regulatory Costing: The Development of the Uniform Rail Costing System,” Journal of Transportation Law, Logistics and Policy, Third Quarter 2017.

“Open Access and Revenue Adequacy” in U.S. Freight Rail Economics and Policy: Are We on the Right Track?, Edited by Jeffrey T. Macher and John W. Mayo, Routledge, 2019.

Internet Blogs

“Observations on STB’s Rate Reform Task Force Report,” *Railway Age*, June 20, 2019
<https://www.railwayage.com/regulatory/observations-on-stbs-rate-reform-task-force-report/?RAchannel=home>

“URCS: Love It or Hate It, We’re Stuck With It” *Railway Age*, August 9, 2019
<https://www.railwayage.com/regulatory/urcs-love-it-or-hate-it-were-stuck-with-it/?RAchannel=home>

“Convenience Fees, Profit Centers and Fuel Surcharges,” *Railway Age*, September 25, 2019
<https://www.railwayage.com/regulatory/convenience-fees-profit-centers-and-fuel-surcharges/?RAchannel=home>

“STB ‘Whack a Mole,’” *Railway Age*, November 20, 2019
<https://www.railwayage.com/regulatory/stb-whack-a-mole/?RAchannel=home>

“When Should Regulation Supersede Market Processes?” *Railway Age*, February 12, 2020
<https://www.railwayage.com/regulatory/when-should-regulation-supersede-market-processes/?RAchannel=home>

“Put Aside Narrow Interests. Think About What’s Best,” *Railway Age*, June 12, 2020.
<https://www.railwayage.com/regulatory/put-aside-narrow-interests-think-about-whats-best/?RAchannel=home>

Book Reviews

Stagecoach East, by Oliver W. Holmes and Peter T. Rohrbach, Journal of Economic History, March 1984.

The Rebirth of Missouri Pacific, 1956-1983, by H. Craig Miner, Journal of Economic History, December 1984.

The Southern Railway: Road of Innovators, by Burke Davis, Journal of Economic History, March 1986.

Performance of the U.S. Railroads Since World War II, by Kent T. Healy, Journal of Economic History, September 1986.

Public Transport, by Peter White, Journal of the Transportation Research Forum, 1996.

Merging Lines: American Railroads, 1900-1970, by Richard Sanders, Jr., EH.NET, 2002.

Urban Transportation Planning, by Michael D. Meyer and Eric J. Miller, Transportation Quarterly, Summer 2002.

Statistical and Econometric Methods for Transportation Data Analysis, by Simon P. Washington, Matthew G. Karlaftis and Fred L. Mannering, Journal of the Transportation Research Forum, Summer 2004.

21st Century Highways, edited by Wendell Cox, Alan Pisarski, and Ronald D. Utt, Journal of Transportation Law, Logistics and Policy, 2006

Public Transport in Developing Countries, by Richard Iles, Journal of the Transportation Research Form, 2007.

Commuting in America III: The Third National Report on Commuting Patterns and Trends, by Alan S. Pisarski, Journal of the Transportation Research Form, 2009.

Railroaded: The Transcontinentals and the Making of Modern America, by Richard White, Journal of the Transportation Research Form, 2012.

Harriman vs. Hill by Larry Haeg, Journal of the Transportation Research Form, Journal of the Transportation Research Form, 2014.

Unpublished Papers

“The Road to Ruin: The Union Pacific and the Sinking Funds Cases,” Research Triangle Economic History Workshop, Chapel Hill, NC, March 1980.

“Jay Gould and the Financial Management of the Union Pacific,” Western Economic Association Annual Meeting, Seattle, WA, July 1983.

“Efficiencies from Intermodal Ownership: The CSX-ACBL Merger,” (with L. Lee Lane and Thomas M. McNamara) Transportation Research Forum Annual Meeting, Boston, MA, October 1984.

“Revolution in Rail-Truck Competition: The Advanced Truckload Firm,” (with L. Lee Lane), Transportation Table, National Press Club, September 18, 1987.

“Inside the Software Microcosm,” Southern Economic Association Annual Meeting, New Orleans, LA, November 1990.

“Are Banks like Trucking Companies or Pizza Parlors? Or Both!” (with Thomas M. McNamara) working paper. 1990.

“Freddie Mac Present and Future Lines of Business,” Freddie Mac white paper. 1990.

“Economics Education in Poland,” Southern Economic Association Annual Meeting, Atlanta, GA, November 1997.

“Railtrack and the Treatment of Railroad Infrastructure,” Surface Transportation Board working paper, 2001.

“A Mixed Strategies Approach to Railroad-Shipper Negotiations,” American Economic Association Annual Meeting, Boston, MA, January 2006.

Litigation Filings

Verified Statement for Association of Short Line and Regional Railroads in *Ex Parte 704 Sub No. 1, Review of Commodity, Boxcar, and TOFC/COFC Exemptions*, January 29, 2021,

Declaration in Support Of Plaintiffs in *Lighthouse Resources Inc., et al, Plaintiffs, and BNSF Railway Co., Plaintiff-Intervenor, v. Jay Inslee, et al., Defendants, and Washington Environmental Council, et al., Defendant-Intervenors*, United States District Court, Western District of Washington at Tacoma, NO. 3:18-cv-05005-RJB.

Presentations

“The Political Economy of Regulatory Costing: The Development of the Uniform Rail Costing System,” Georgetown Railroad Colloquium, June 17, 2016.

“American Railroads: The Regulatory Perspective,” Brookings, Railroads, Policy, and the Economy, June 19, 2015.

“Research at the Association of American Railroads,” Transportation Research Board, Group I Council Summer Meeting, Washington, DC, September 1, 1987.

Education

Ph.D., Economics, University of Virginia
MA, Legal History, University of Virginia
BA, (Honors) Swarthmore College

Honors

Named outstanding teaching assistant, University of Virginia
National Merit Scholar
Dupont Fellow at University of Virginia

BEFORE THE
SURFACE TRANSPORTATION BOARD

DOCKET NO. FD 36472

CSX CORPORATION AND CSX TRANSPORTATION, INC., ET AL.
—CONTROL AND MERGER—
PAN AM SYSTEMS, INC., PAN AM RAILWAYS, INC., BOSTON AND MAINE
CORPORATION, MAINE CENTRAL RAILROAD COMPANY, NORTHERN RAILROAD,
PAN AM SOUTHERN LLC, PORTLAND TERMINAL COMPANY, SPRINGFIELD
TERMINAL RAILWAY COMPANY, STONY BROOK RAILROAD COMPANY, AND
VERMONT & MASSACHUSETTS RAILROAD COMPANY

EXHIBIT 23

Support Letters

Support Letters

Albert Bros., Inc.
 Atlantic Forest Products, LLC
 Atlantic Wallboard
 BB&S Treated Lumber of New England
 Benevento Companies
 Blackline Midstream, LLC
 Boise Cascade Building Materials Distribution LLC
 Broco Oil, Inc
 Boston Sand & Gravel Company
 Catania Oils
 Charter Development Company
 Chemtrade Logistics
 Ciment Québec Inc.
 CTS Cement Manufacturing Corp.
 Cushman Lumber Company
 Daaquam Lumber Maine Inc.
 DP World
 Eastern Propane Gas Inc.
 EIMSKIP USA
 F.L. Larson Trucking, Inc.
 Fabian Oil Inc
 Factor Gas Liquids Inc.
 Frost Bridge Associates, LLC
 Granite State Concrete Co., Inc.
 Greater Boston Transload, LLC
 Greif, Inc
 HUHTAMAKI
 Inland Fuel Terminals, Inc.
 Inteplast Group Corporation
 Interoceanic Corporation
 J.D. Irving, Limited
 J.D. Irving, Limited, Pulp & Paper Division
 Jaguar Transport Holdings
 Javelin Global Commodities (UK) Ltd
 Law Logistics
 Maine Wood Treaters, Inc.
 Milford-Bennington Railroad Co., Inc.
 Monadnock Paper Mills, Inc.

New Hampshire Northcoast Company
NGL Supply Co. Ltd.
OmniTRAX, Inc.
Packaging Corporation of America
Parrish & Heimbecker
Pixelle Specialty Solutions, LLC
Plasmine Technology, Inc.
Port Saint John
Rail Enterprise Group
Sappi North America
Senator Bill Gannon (New Hampshire Senate)
Senators Regina Birdsell & David Watters (New Hampshire Senate)
Tighe Logistics Group
TurfCare Supply Corp.
US Ecology
USG Corporation
Western Massachusetts Economic Development Council
Woodland Pulp & St. Croix Tissue
Worcester Regional Chamber of Commerce
wTe Recycling, Inc.

Albert Bros., Inc.
225 East Aurora Street
Waterbury, CT 06708
203-753-4146



January 12, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Eric Albert, President of Albert Bros., Inc., a fifth generation Scrap Metal Processor located at 225 East Aurora St. in Waterbury, CT. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Albert Bros., Inc. looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Albert Bros., Inc. certainly welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Albert Bros., Inc. will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We are continuously looking for ways to grow our business and this is something that will help us significantly. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Albert Bros., Inc. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Eric Albert, President

Cc: CSX Transportation, Inc.

Atlantic Forest Products, LLC

January 22, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Rich Spallone, Executive VP/Member with Atlantic Forest Products, LLC located at 1600 Sparrows Pt, Blvd Edgemere, MD.

We are a nationwide wholesale lumber company that utilizes the services of the CSXT in numerous locations. We use the Springfield Terminal Railroad Company (“Springfield Terminal”) to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. (“CSXT”) will expand the single-line railroad service at our facilities.

AFP looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the “Board”) of the merger of Springfield Terminal into CSXT. AFP welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

AFP will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

AFP supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



Cc: CSX Transportation, Inc.



30 Jervis Ln
Saint John, NB
E2J 0A9

2/22/2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

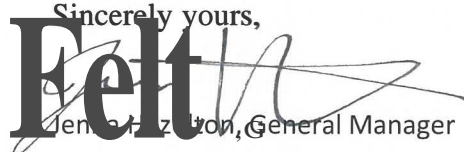
I am Jenna Hazelton, General Manager with Atlantic Wallboard, located at 30 Jervis Lane, Saint John, NB.

Atlantic Wallboard is a manufacturer of gypsum wallboard with some of our volume entering the New England market. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Atlantic Wallboard looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Atlantic Wallboard welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Atlantic Wallboard will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Atlantic Wallboard supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Jenna Hazelton, General Manager

Cc: CSX Transportation, Inc.



P.O. Box 982, 61 Bonneau Road
North Kingstown, RI 02852
401-295-3200 FAX 401-295-9733 (800) 322-4006

www.bbslumber.com

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

My name is Dan Kane, General Manager with BB&S Treated Lumber, located at 61 Bonneau Rd., North Kingstown, RI 02852

BB&S provides an extensive range of excellent treated lumber products, including Southern Pine lumber, decking, posts and timbers. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc will be a benefit to BB& Treated Lumber.

BB&S Treated Lumber looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. BB&S Treated Lumber welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

BB&S Treated Lumber will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

BB&S Treated Lumber supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Regards,

Dan Kane
VP & General Manager
BB&S Treated Lumber of New England

Cc: CSX Transportation, Inc.



"Since 1934"

January 8, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Charles J. Benevento, Owner / CEO with Benevento Companies located at 900 Salem Street, Wilmington Massachusetts.


Benevento Companies are a vertically integrated crushed stone, asphalt and concrete production business within the construction materials industry. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Benevento Companies looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Benevento Companies welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Benevento Companies will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Benevento Companies supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,


Charles J. Benevento
Owner / CEO
Benevento Companies

Cc: CSX Transportation, Inc.



Blackline Midstream, LLC
10200 Grogans Mill Road, Suite 510
The Woodlands, TX 77380

January 15, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mike Day, CEO at Blackline Midstream LLC, located at 10200 Grogans Mill Road, Suite 510, The Woodlands, TX 77380.

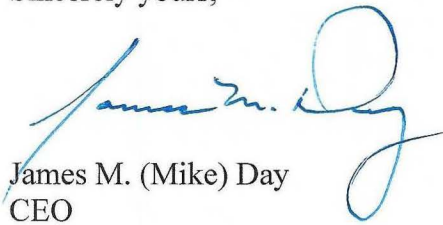
Blackline is a premier terminal developer and operator within the conventional and emerging energy markets. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our Newington, NH propane storage and distribution terminal facility ("Sea-3") for movements of inbound propane from various suppliers across North America. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will convert our existing short-line service to direct Class I railroad service at Sea-3.

Blackline looks forward to the improved service and cost competitiveness that CSXT is expected to provide from the propane origination points in Ohio and Pennsylvania following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. We are also anticipating that CSXT will maintain competitiveness and service levels on the connecting routes from other propane supply origination points in Canada and the US Upper Midwest which are also very important to Sea-3's viability. We welcome the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our railcar shipments with much greater precision and confidence.

The commercial and residential propane distributors in New England are Sea-3's customers and look to Sea-3 for reliable and economic supply of propane in the region. Blackline is expecting the CSXT Sales and Marketing team to follow through on its intentions to explore and implement new supply chain solutions and market opportunities for expanded rail movements of propane into Sea-3 which would support Blackline's ability to meet those customer expectations. Blackline needs lower rail transportation unit costs, more frequent rail service and expanded railcar blocks per delivery for better overall productivity which will lead to improved overall performance and economics for the propane consumers in New England.

Based on the expectation of realizing these benefits by working with CSXT, Blackline supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,



James M. (Mike) Day
CEO

Cc: CSX Transportation, Inc.



Boise Cascade

SHIPPER ON PAN AM

08JAN2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36____, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Lee Goodwin, Division Transportation Manager with BOISE CASCADE BUILDING MATERIALS DISTRIBUTION LLC, located at 1111 W Jefferson St Suite 300 Street Boise, Idaho.

BOISE CASCADE has a Building Materials Distribution yard in Portsmouth, NH and a manufacturing location in Biddeford/Saco, ME. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

BOISE CASCADE looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. BOISE CASCADE welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

BOISE CASCADE BUILDING MATERIALS DISTRIBUTION L.L.C. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Cc: CSX Transportation, Inc.



168 Hale Street Haverhill, MA 01830 T: (781)-246-1130 F: (781)-819-0058

January 12, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

Broco Oil, Inc is a fast-growing fuel storage terminal and distribution company located at 168 Hale Street in Haverhill MA. Our consistent growth is directly related to our investment is re-establishing a dormant rail siding and building out additional sidings to store, sort and unload railcars from Springfield Terminal Railways. We predominately bring in biodiesel carloads from the Renewal Energy Group (REG) in Ames Iowa. We are excited about the pending merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") as it will allow us to take advantage of expanded single-line railroad service at our busy Haverhill rail terminal.

Broco Oil looks forward to the improved service that we expect from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Broco welcomes the level of infrastructure investment that CSXT envisions in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Broco Oil looks forward to exploring and implementing new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect the merger to

enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Broco Oil, Inc. strongly supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

A handwritten signature in black ink, consisting of a stylized 'B' followed by a series of loops and a long horizontal stroke.

President & CEO Broco Oil, Inc

Cc: CSX Transportation, Inc.



REDACTED – TO BE PLACED ON PUBLIC FILE

BOSTON SAND & GRAVEL

PO Box 9187
100 N. Washington Street
Boston, MA 02114

617-227-9000 || BostonSand.com

December 22, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Dean Boylan, President of Boston Sand & Gravel Company (BSG), located at 100 N. Washington Street, Boston, Massachusetts 02114

BSG is a ready mixed concrete and aggregate supplier in downtown Boston, MA. We have delivered building materials to many of the large infrastructure and construction projects in New England for over 100 years. BSG has relied on the Springfield Terminal Railroad Company and their predecessors to supply rail service for over 60 years. Presently we receive materials to our Charlestown, MA facility for use in ready mixed concrete production and for resale to other customers. The Springfield Terminal service has been critical to our Company's well being. The merger of the Springfield Terminal into CSX Transportation will expand the single line railroad services to our facility.

BSG looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. BSG welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

BSG will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

BSG supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Dean M. Boylan
President

Cc: CSX Transportation, Inc.





**Processors & Packers
of Vegetable, Olive
& Blended Oils**

www.cataniaoils.com | oils@cataniaoils.com

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

January 6, 2021

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

My name is Joseph Basile, President of Catania Oils, located at 3 Nemco Way, Ayer, Massachusetts.

Catania Oils is a larger bottler of vegetable and olive oils supplying our products to Retail, Foodservice and Food manufactures throughout North America. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our facilities.

Catania Oils looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Catania Oils welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Catania Oils will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Catania Oils supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Joseph Basile
President

Cc: CSX Transportation, Inc.



December 22nd, 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mason Sandell with Charter Development Company, located at 560 Harrison Avenue, Boston MA 02118.

Charter Development Company and its affiliates Charter Contracting and Charter Environmental (together, “Charter”) are in the business of managing the transportation and disposal of regulated soils, sediments and other materials throughout New England and the Eastern United States. Charter regularly uses Pan Am Railways (“Pan Am”) to transport such regulated materials by rail. The merger of Pan Am into CSX Transportation, Inc. (“CSXT”) will expand the single-line railroad service supporting our projects and overall business model.

Charter looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the “Board”) of the merger of Pan Am into CSXT. Charter appreciates the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Charter will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.



Charter supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Mason Sandell
Principal, Charter Development

Cc: CSX Transportation, Inc.

SHIPPER ON PAN AM

January 21, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mark de Hueck, Director of Supply Chain and Transportation with Chemtrade Logistics Inc. located in Toronto, Ontario, Canada with approximately 65 plants across North America.

Chemtrade Logistics, an annual \$2B enterprise, is a chemical manufacturer that is publically traded. We provide water treatment chemical to municipalities to ensure clean drinking water as well as chemical to be used as inputs for such industries as oil and gas, mining, pulp and paper, forestry, automotive, food processing just to name a few. We use the Springfield Terminal Railroad Company (“Springfield Terminal”) to terminate traffic at our customers facilities for movements within New England. The merger of Springfield Terminal into CSX Transportation, Inc. (“CSXT”) will expand the single-line railroad service to our end use customer destinations.

Chemtrade Logistics looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the “Board”) of the merger of Springfield Terminal into CSXT. Chemtrade Logistics welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Chemtrade Logistics will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Chemtrade supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

I remain,
Sincerely yours,

Mark de Hueck

Mark de Hueck

Cc: CSX Transportation, Inc.



Saint-Basile, December 16 2020

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Jean Lebrun, Assistant VP Cement Business Development and Logistics Manager with Ciment Québec inc., located at 145, du Centenaire boul. Saint-Basile (Quebec) Canada, G0A 3G0.

Ciment Québec operates in Québec, Ontario, the Maritimes provinces and United States. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to originate and terminate traffic at our New England facilities. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at these facilities.

Ciment Québec looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Ciment Québec welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

Ciment Québec will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

Ciment Québec supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

JEAN LEBRUN
Assistant VP Cement Business Development
Logistics Manager

Cc: CSX Transportation, Inc.

CTS Cement Manufacturing Corp
January 11, 2021

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472 *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.*

Dear Ms. Brown:

I am Mary Jo O'Dear, Rail Logistics Coordinator with CTS Cement Manufacturing Corp. located at 12442 Knott Street Garden Grove, CA 92841.

CTS Cement Manufacturing ships Hydraulic Cement all over the country. We currently ship to Concord, NH via CSX-Springfield Terminal Railroad. We use the Springfield Terminal Railroad Company ("Springfield Terminal") to terminate traffic at our customer's facilities for movements within New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will expand the single-line railroad service at our customers facilities.

CTS Cement Manufacturing Corp looks forward to the improved service that we will receive from CSXT following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. CTS Cement welcomes the level of infrastructure investment that CSXT has deemed necessary over the past several years in order to implement its dynamic operating model that has resulted in CSXT setting new standards of service performance with higher velocity, faster equipment turns, and greater consistency. We also look forward to availing ourselves of the unprecedented visibility into our supply chain through the ShipCSX platform that will enable us to track and manage our shipments with much greater precision and confidence.

CTS Cement Manufacturing Corp will explore and implement new supply chain solutions and market opportunities with the CSXT Sales and Marketing team. We expect to enhance our competitiveness through lower costs, better service and improved access to the North American rail network through single-line CSXT best-in-class rail service.

CTS Cement Manufacturing Corp. supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT.

Sincerely yours,

Mary Jo O'Dear
Rail Logistics Coordinator
CTS Cement Manufacturing Corp.
12442 Knott Street Garden Grove, CA 92841

714-462-7807

Cc: CSX Transportation, Inc.



Cushman Lumber Company, Inc. 96 Springfield Rd. Charlestown, NH 603-826-4575 603-826-4586 (f)

2/24/21

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Re: Docket No. FD 36472, *CSX Corporation and CSX Transportation, Inc.-Control and Merger-Pan Am Systems, Inc., et al.* 586 (f)

Dear Ms. Brown:

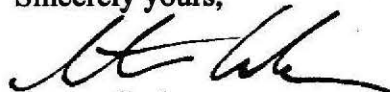
I am Steven Cushman, Vice President with Cushman Lumber Company, located at 96 Springfield Road, Charlestown, New Hampshire 03603.

Cushman Lumber Company is an independent family-owned wholesale distributor of commodity framing lumber and studs. With offices in Massachusetts, New York, and New Hampshire, we provide lumber products and services to New England and the Northeast. We use the Pan Am Southern Railroad ("PAS") and the New England central Railway ("NECR") to originate and terminate traffic at our facilities for movements within and outside of New England. The merger of Springfield Terminal into CSX Transportation, Inc. ("CSXT") will help to expand rail service at our facility and help to improve service and routing options for our company.

Cushman Lumber Company looks forward to the improved service that we will receive following the approval by the Surface Transportation Board (the "Board") of the merger of Springfield Terminal into CSXT. Cushman Lumber Company hopes to enhance our competitiveness through lower costs, better service and improved access to the North American rail network based upon increased capital investments and improved service offerings that CSXT will bring to the New England market as part of this acquisition.

Therefore, Cushman Lumber Company supports the proposed merger and requests that the Board expeditiously approve the acquisition of Pan Am Systems and its subsidiaries by CSXT. at our

Sincerely yours,


Steven Cushman

Cc: CSX Transportation, Inc.